

CITY OF NEWCASTLE
King County, Washington
January 1, 1995 Through December 31, 1995

Schedule Of Findings

1. Annual Financial Reports Should Be Filed Timely

The City of Newcastle's 1995 annual financial reports were not filed with the State Auditor's Office until March 1997.

RCW 43.09.230 states:

The state auditor shall require from every taxing district . . . financial reports covering the period of each fiscal year . . . in accordance with the forms and methods prescribed by the state auditor . . .

Such reports shall be prepared, certified, and filed with the state auditor within one hundred fifty days after the close of each fiscal year.

Failure to prepare and file timely annual financial reports denies the taxpayers a complete picture of the city's financial position and precludes the city council from having meaningful information for decision making.

These reporting deficiencies were due to changes in personnel.

We recommend that future annual financial reports be prepared and filed within the statutory deadline.

Auditee's Response

Senior Accountant, Maria Richardson responded to a preliminary draft of our finding in a letter dated March 6, 1997. Portions of that letter have been included here.

In response to the State Auditor's finding for the late filing of the 1995 annual report for the City of Newcastle, the lateness of the 1995 report was in large part caused by the conversion to in-house financial services from a contract finance office without the allocation of adequate time and resources to prepare the report in a timely manner. This situation was exacerbated by the maternity leave of a key finance staff person during a critical time for the preparation of financial information.

Management acknowledges the need to ensure the timely filing of reports and has the intent of making a concerted effort to produce the 1996 report on a timely basis. This effort will be made more difficult by the recent turnover in the finance office and the fact that there is currently only one person capable of producing a financial report as extensive as the annual report. Our definitive

goal is to produce the 1997 report on time.